

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION  
DIVISION OF INSURANCE  
233 RICHMOND STREET  
PROVIDENCE, RHODE ISLAND 02903**

**CONCISE EXPLANATORY STATEMENT**

**Central Management Regulation 2 – Rules of Procedure for  
Administrative Hearings**

The Department of Business Regulation (“Department”) hereby adopts amendments to Central Management Regulation 2 effective June 28, 2004 and makes this statement in accordance with R.I. Gen. Laws § 42-35-2.3. The Department makes these amendments in order to clarify the Department’s procedural rules for the conduct of administrative hearings. There are ten differences between the text of the proposed rule as published in accordance with R.I. Gen. Laws § 42-35-3 and the rule as adopted. Those differences are:

1. The final paragraph of Section 5(b) was amended to clarify that the Notice shall inform Respondent of his or her responsibility to present a defense to the Hearing Officer, regardless of the type of hearing.
2. Section 6(E) was amended to provide that the Hearing Officer may allow hearings telephonically or electronically only with the agreement of the parties.
3. Section 7(A)(2) was amended to allow for partners of partnerships to appear *pro se*;
4. Section 12(G) was amended to correct a typographical error referencing the Superior Court Rules of Civil Procedure;
5. Section 14(B) was rewritten to clarify its intent.
6. Section 18 was amended to remove the reference to publication in the newspaper and allow for publication in whatever manner the Director deems appropriate to adequately notify the public;
7. Section 19 was amended to allow for an exception upon a showing of good cause;

8. Section 21 was amended to clarify that challenges to an Order should be made pursuant to Section 19;
9. Section 22(B) was amended to add the final sentence providing a procedure for a substitute hearing officer to hear the matter de novo;
10. Section 26(B) was amended to allow for any party to request a preliminary finding of confidentiality;
11. Section 27(A)(1) and (2) and (B) were amended to correct typographical errors.

Comments made at the hearing with regard to two sections were considered and rejected. Those sections are:

1. Section 5 was questioned regarding whether the procedure described, notice without a hearing date, is allowed under R.I. Gen. Laws § 42-35-9. The Department believes that the procedure is in accordance with R.I. Gen. Laws § 42-35-9.
2. The changes to Section 18 were questioned as to removing the mandatory publication in the newspaper and adding a discretionary publication. The Department believes that each case is different and allowing for discretion with regard to whether publication is appropriate and the manner in which that publication will be made will better serve the public interest.

Marilyn Shannon McConaghy  
Director, Department of Business Regulation  
May 19, 2004